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# Speculation over Ladbroke as Hilton chief is set to exit

Lucy Baker • Monday 08 May 2000 00:00 BST •  [Comments](#)



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Peter George, the chief executive of Hilton Group, is set to quit the hotels to betting group, fuelling speculation about a boardroom bust-up over the company's future direction.

Mr George, 56, has been with the company, formerly known as Ladbroke, since 1963, joining the board 20 years ago. He became chief executive in 1994 and was widely expected to take over from John Jackson, 70, who has chaired the company for six years.

But it is understood that Mr George will instead announce his intention to leave the company, probably at the group's annual meeting on 26 May.

He will be replaced by David Michels, the former Stakis chief, who has headed Hilton's hotels division since the group acquired the Scottish chain for £1.3bn last year.

Leisure industry analysts say the move could signal Hilton's intention to focus on its hotel operations, perhaps seeking the long-rumoured demerger of its Ladbroke betting chain.

Mr George, whose own background is in betting, had ruled out a spin-off of the Ladbroke business at the company's full-year results presentation in February.

He said: "We're not planning to demerge. That's not to say it won't ever happen or we wouldn't look at it, but for a whole variety of reasons, it's not on the agenda."

Mr Michels, whose expertise is in hotels, is seen as more likely to favour a demerger.

The top-level shake-up is expected to be accompanied by further changes. Brian Wallace, Hilton's finance director, is tipped to be named deputy chief executive, while Anthony Harris, head of Hilton UK, is slated to become chief operating officer. It is said to be uncertain whether Chris Bell, chief executive of Ladbroke, will be offered a seat on the revamped board.

A spokesman for Hilton yesterday refused to comment on the speculation, but said he expected to have to "put up with a lot more of it".

If the appointment of Mr Michels as chief executive goes ahead, it is expected to provide a fresh boost to the company's share price, which enjoyed a welcome surge early this year on news of Ladbroke's online strategy.

On Friday, the shares closed down 5.75p at 268.25p.

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